

[illegible]

	Bank of America Payroll 3750245235	Bank of America Payroll 8188003115	Bank of America Lockbox 8188203114	First Union Concentration 2000000262172
Balance per books	\$ -	\$ 8,154	\$ 1,953,417	\$ 1,878,109
Bank Balance	\$ -	\$ 8,154	\$ 1,958,997	\$ 2,247,121
(+) Deposits in transit				
(-) Outstanding checks				
Other			(5,580)	(369,012)
Adjusted bank balance	\$ -	\$ 8,154	\$ 1,953,417	\$ 1,878,110
Deposits in Transit	Date Amt	Date Amt	Date Amt	Date Amt
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				
Unreconciled ledger activity				
Returned item adjustment				
Payroll/other activity in transit				
Petty cash funds				
Unrecorded deposit				

**W. R. Grace & Co. - Conn**  
**Bank Reconciliations**  
**October 2001**  
**MOR-1**

	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	Fleet Bank Payroll 51217666
Balance per books	\$ 1,407,644	\$ 5,708	\$ 20,163	\$ 3,544
Bank Balance	\$ -	\$ -	\$ 20,163	\$ 3,274
(+) Deposits in transit				
(-) Outstanding checks	(190,241)			
Other	1,597,885	5,708		270
Adjusted bank balance	\$ 1,407,644	\$ 5,708	\$ 20,163	\$ 3,544
Deposits in Transit	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amount	Ck. #	Amount
	detail available			
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded		1,786,352		
Unreconciled bank activity				
Unreconciled ledger activity		(188,467)		
Returned item adjustment			5,708	
Payroll/other activity in transit				
Petty cash funds				
Unrecorded deposit				270

	First Union Libby Medical 2079900065006	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535				
Balance per books	\$ 30,376	\$ (5,414,869)	\$ 796,351	\$ 1,898,408				
Bank Balance	\$ -	\$ -	\$ -	\$ 857,313				
(+) Deposits in transit								
(-) Outstanding checks		(6,571,549)	(66,051)					
Other	30,376	1,156,680	862,402	1,041,095				
Adjusted bank balance	\$ 30,376	\$ (5,414,869)	\$ 796,351	\$ 1,898,408				
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
			detail available		detail available			
Other								
Transfers between bank accounts								852,325
Accounting error								268,630
Interest not recorded on books								
Bank fees not recorded on books								1,645
Payroll tax payments not recorded								(86,628)
Unreconciled bank activity								
Unreconciled ledger activity								
Returned item adjustment								
Payroll/other activity in transit								
Petty cash funds								5,123
Unrecorded deposit								

**W. R. Grace & Co. - Conn**  
**Bank Reconciliations**  
**October 2001**  
**MOR-1**

	First Union Accts payable 2079900005260		First Union Accts Payable 2079900005231		Allfirst Payroll 16298631		SunTrust Payroll 00000141309	
Balance per books	\$ (3,400,444)		\$ (1,204,643)		\$ 195,000		\$ 45,000	
Bank Balance	\$ -		\$ -		\$ 685,980		\$ 45,291	
(+) Deposits in transit								
(-) Outstanding checks	(3,112,917)				(249,714)		(291)	
Other	(287,527)		(1,204,643)		(241,266)			
Adjusted bank balance	\$ (3,400,444)		\$ (1,204,643)		\$ 195,000		\$ 45,000	
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	SAP	(3,087,927)			detail		7725	(84)
	5065	(2,050)			available		74778	(84)
	6731	(11)					74939	(123)
	7670	(1,348)						
	8610	(1,719)						
	11880	(2,568)						
	11990	(192)						
	12057	(300)						
	12255	(135)						
	14661	(1,635)						
	15077	(1,129)						
	17294	(54)						
	17328	(7,438)						
	19200	(4,727)						
	19495	(1,142)						
	19501	(543)						
Other								
Transfers between bank accounts		(264,872)		(1,206,589)				
Accounting error								
Interest not recorded on books								
Bank fees not recorded on books								
Payroll tax payments not recorded								
Unreconciled bank activity								
Unreconciled ledger activity								
Returned item adjustment		185		1,946				
Payroll/other activity in transit		600						
Petty cash funds		(3,440)				(241,266)		
Unrecorded deposit								

W. R. Grace & Co. - Conn  
Bank Reconciliations  
October 2001  
MOR-1

	PNC 4002641360		Hibernia Natl Disbursement 101391210		Bank of America Payroll 0000 0002 2137		Allfirst Payroll 16298657		First Union Petty Cash 2040000016900	
Balance per books	\$ 25,000		\$ 10,000		\$ 25,000		\$ 40,760		\$ 32,416	
Bank Balance	\$ 25,000		\$ 9,830		\$ 30,610		\$ 188,290		\$ 39,860	
(+) Deposits in transit										
(-) Outstanding checks					(337)		(17,953)			
Other			170		(5,273)		(129,578)		(7,444)	
Adjusted bank balance	\$ 25,000		\$ 10,000		\$ 25,000		\$ 40,760		\$ 32,416	
Deposits in Transit	Date	Amt	Date	Amt	Date	Amt	Date	Amt	Date	Amt
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
					40820	(337)	4434	(2,103)		
							100316	(1,655)		
							100282	(371)		
							4575	(2,918)		
							4592	(693)		
							4746	(1,823)		
							4767	(3,146)		
							4770	(1,093)		
							4773	(1,195)		
							4774	(2,350)		
							100359	(606)		
Other										
Transfers between bank accounts						(5,384)		(140,816)		(8,042)
Accounting error						(2)				
Interest not recorded on books										
Bank fees not recorded on books				170		112				8
Payroll tax payments not recorded										(410)
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds								11,238		
Unrecorded deposit										1,000

Chart 2

**W. R. Grace & Co. - Conn**  
**Bank Reconciliations**  
**October 2001**  
**MOR-1**

	Banco de Credito Operating Acct 1931115122058		Banco de Credito Operating Acct 1931125963172		Banco de Credito Time Deposit		Bank of Boston Operating Acct 0154519		Bank of Boston Operating Acct 0154424	
Balance per books	(Soles)	\$ 2,005	(US\$)	\$ 196,332	\$ -		(Soles)	\$ 35,854	(US\$)	\$ 585,770
Bank Balance		\$ 4,529		\$ 196,814	\$ -			\$ 35,854		\$ 585,770
(+) Deposits in transit										
(-) Outstanding checks		(2,524)		(483)						
Other										
Adjusted bank balance		\$ 2,005		\$ 196,332	\$ -			\$ 35,854		\$ 585,770
Deposits in Transit	Date		Date		Date		Date		Date	
Outstanding Checks	Ck. #		Ck. #		Ck. #		Ck. #		Ck. #	
	7609365	(500)	2809129	(250)						
	7609372	(2,024)	2809124	(188)						
			2809128	(45)						
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Unrecorded deposit										





Remedium Group, Inc. Bank Reconciliations October 2001 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831985	
Balance per books	\$ (22,006)		\$ (231,877)	
Bank Balance				
(+) Deposits in transit				
(-) Outstanding checks			(291,433)	
Other	(22,006)		59,556	
Adjusted bank balance	\$ (22,006)		\$ (231,877)	
Deposits in Transit	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount
			2514	(60)
			3005	(415)
			3010	(115)
			3217	(87)
			3346	(2,934)
			3355	(200)
			3447	(200)
			3448	(2,083)
			3452	(27)
			3455	(2,342)
			3456	(157)
			3457	(11)
			3458	(225)
			3459	(12,663)
			3460	(18)
			3461	(5,617)
			3462	(873)
			3463	(171)
			3464	(2,071)
			3465	(28)
			3466	(12,148)
			3467	(14)
			3468	(6,080)
			3469	(2,496)
			3470	(73)
			3471	(114,189)
			3472	(9)
			3473	(881)
			3474	(2)
			3475	(109)
			3476	(20)
			3477	(96)
			3478	(86,957)
			3479	(5,163)
			3480	(122)
			3481	(32)
			3485	(32,753)
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity		(22,006)		59,556
Unreconciled ledger activity				
Returned item adjustment				
Payroll activity in transit				
Petty cash funds				



Darex Puerto Rico, Inc. Bank Reconciliations October 2001 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 3,038,269	
Bank Balance	2,962,659	
(+) Deposits in transit	93,628	
(-) Outstanding checks	(18,551)	
Other	532	
Adjusted bank balance	\$ 3,038,268	
Deposits in Transit	Date	Amt
	10/29/2001	93,628
Outstanding Checks	Ck. #	Amt
	13767	(5,002)
	15207	(1,591)
	15265	(6,200)
	15267	(495)
	15278	(4,628)
	15280	(634)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		532
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

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**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 70,284,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	11,205,942	-	-	-	-	-	-	-	-
Net sales to filing entities	231,293	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,361,473	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(5,231,841)	3,720,295	648,094	19,173	845,233	-	2,602,915	-	-
Other income	(150,000)	-	-	-	-	-	-	-	-
	77,701,023	3,720,295	648,094	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	44,534,536	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	8,468,945	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	203,356	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	17,023,717	-	2,657	-	-	34,853	-	-	-
Research and development expenses	2,984,044	-	-	-	-	-	-	-	-
Depreciation and amortization	4,389,130	-	2,256	-	-	-	-	-	-
Interest expense	2,067,629	-	-	-	-	-	-	-	-
	79,671,357	-	4,913	-	-	34,853	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(1,970,335)	3,720,295	643,181	19,173	845,233	(34,853)	2,602,915	-	-
Chapter 11 reorganization expenses, net	(928,975)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	(4,181,553)	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (7,080,863)</b>	<b>\$3,720,295</b>	<b>\$ 643,181</b>	<b>\$ 19,173</b>	<b>\$ 845,233</b>	<b>\$ (34,853)</b>	<b>\$2,602,915</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.	Kootenai Development Company
Net sales to third parties	\$ -	\$ 426,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,986,830	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(2,603,838)	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	(617,007)	426,945	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	221,133	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	27,936	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	108,710	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,059	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	364,837	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(617,007)	62,107	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	(44,981)	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (661,988)</b>	<b>\$ 62,107</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G.C. Limited Partners I, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net (Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W.R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracocoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W.R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**November 2001**

	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,711,100
Net sales to non-filing entities	-	-	-	-	-	11,205,942
Net sales to filing entities	-	-	-	(231,293)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	3,348,303
Interest and royalties from filing entities, net	-	-	-	(31)	-	-
Other income	-	-	-	-	-	(150,000)
	-	-	-	(231,324)	-	85,115,346
Cost of goods sold to third parties	-	-	-	-	-	44,755,669
Cost of goods sold to non-filing entities	-	-	-	-	-	8,468,945
Cost of goods sold to filing entities	-	-	-	(231,293)	-	-
Selling, general and administrative expenses	-	-	-	-	-	17,169,936
Research and development expenses	-	-	-	-	-	2,984,044
Depreciation and amortization	-	-	-	-	-	4,398,445
Interest expense	-	-	-	-	-	2,067,629
	-	-	-	(231,293)	-	79,844,668
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	(31)	-	5,270,678
Chapter 11 reorganization expenses, net	-	-	-	-	-	(928,975)
(Provision for) benefit from income taxes	-	-	-	-	-	(4,226,534)
Minority interest in income of subsidiary	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	7,121,183	7,121,183
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (31)</b>	<b>\$ 7,121,183</b>	<b>\$ 7,236,352</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.